# RULE-MAKING ORDER

**CR-103 (June 2004)**
**(Implements RCW 34.05.360)**

**Agency:** Insurance Commissioner

X **Permanent Rule**
☐ **Emergency Rule**

**Effective date of rule:**
**Permanent Rules**
X 31 days after filing.
☐ Other (specify) _____ **(If less than 31 days after filing, a specific finding under RCW 34.05.380(3) is required and should be stated below)**

**Effective date of rule:**
**Emergency Rules**
☐ Immediately upon filing.
☐ Later (specify) _____

**Any other findings required by other provisions of law as precondition to adoption or effectiveness of rule?**
☐ Yes X No If Yes, explain:

**Purpose:** Improve the regulatory framework of WAC 284-43 Subchapter I. This rule-making will eliminate outdated provisions and bring the regulation into compliance with HB 2460, (Chapter 244 Laws of 2004) and E2SSB 6067 (Chapter 79, Laws of 2000).

Insurance Commissioner Matter No. R 2004-05

**Citation of existing rules affected by this order:**
Repealed: WACs 284-43-900 and 284-43-955
Amended: WACs 284-43-905, 284-43-910, 284-43-915, 284-43-920, 284-43-925, 284-43-930, 284-43-935, 284-43-940, 284-43-945, 284-43-950
Suspended:

**Statutory authority for adoption:** RCWs 48.02.060, 48.44.050, and 48.46.200

**Other authority :**

**PERMANENT RULE ONLY (Including Expedited Rule Making)**
Adopted under notice filed as WSR 04-24-099 on 12/1/04 (date).
Describe any changes other than editing from proposed to adopted version: None

If a preliminary cost-benefit analysis was prepared under RCW 34.05.328, a final cost-benefit analysis is available by contacting:

Name: phone ( ) _____
Address: fax ( ) _____
e-mail _____

**EMERGENCY RULE ONLY**
Under RCW 34.05.350 the agency for good cause finds:
☐ That immediate adoption, amendment, or repeal of a rule is necessary for the preservation of the public health, safety, or general welfare, and that observing the time requirements of notice and opportunity to comment upon adoption of a permanent rule would be contrary to the public interest.
☐ That state or federal law or federal rule or a federal deadline for state receipt of federal funds requires immediate adoption of a rule.

Reasons for this finding:

**Date adopted:** March 1, 2005

**NAME (TYPE OR PRINT)**
Mike Kreidler

**SIGNATURE**

**TITLE**
Insurance Commissioner

**CODE REVISER USE ONLY**

CODE REVISER'S OFFICE
STATE OF WASHINGTON
FILED
MAR 3 2005
TIME 4:23 PM
WSR 05-07-006 .

**(COMPLETE REVERSE SIDE)**

**Note: If any category is left blank, it will be calculated as zero. No descriptive text.**

**Count by whole WAC sections only, from the WAC number through the history note. A section may be counted in more than one category.**

**The number of sections adopted in order to comply with:**

| | | | | | | |
|---|---|---|---|---|---|---|
| **Federal statute:** | New | _____ | Amended | _____ | Repealed | _____ |
| **Federal rules or standards:** | New | _____ | Amended | _____ | Repealed | _____ |
| **Recently enacted state statutes:** | New | _____ | Amended | _____ | Repealed | _____ |

**The number of sections adopted at the request of a nongovernmental entity:**

| | | | | | | |
|---|---|---|---|---|---|---|
| | New | _____ | Amended | _____ | Repealed | _____ |

**The number of sections adopted in the agency's own initiative:**

| | | | | | | |
|---|---|---|---|---|---|---|
| | New | _____ | Amended | 10 | Repealed | 2 |

**The number of sections adopted in order to clarify, streamline, or reform agency procedures:**

| | | | | | | |
|---|---|---|---|---|---|---|
| | New | _____ | Amended | _____ | Repealed | _____ |

**The number of sections adopted using:**

| | | | | | | |
|---|---|---|---|---|---|---|
| **Negotiated rule making:** | New | _____ | Amended | _____ | Repealed | _____ |
| **Pilot rule making:** | New | _____ | Amended | _____ | Repealed | _____ |
| **Other alternative rule making:** | New | _____ | Amended | _____ | Repealed | _____ |

AMENDATORY SECTION (Amending Matter No. R 97-2, filed 1/23/98, effective 3/1/98)

**WAC 284-43-905 Applicability and scope.** This subchapter applies to health benefit plans as defined in RCW 48.43.005((~~(9)~~)), and contracts for limited health care services as defined in RCW 48.44.035((~~(1)~~)), offered by health care service contractors and health maintenance organizations ((~~registered~~)) transacting business in this state under chapter 48.44 or 48.46 RCW. It applies to such plans purchased directly by individuals, small employers, ((~~and~~)) large employers((~~, or~~)) and other organizations.

AMENDATORY SECTION (Amending Matter No. R 97-2, filed 1/23/98, effective 3/1/98)

**WAC 284-43-910 Definitions.** For the purpose of this subchapter:

(1) "Adjusted earned premium" means the amount of "earned premium" the "carrier" would have earned had the "carrier" charged current "premium rates" for all applicable "plans."

(2) ((~~"Amount charged" means all sums charged, received, or deposited as consideration for a "contract" or "group contract" or the continuance thereof. An assessment or a membership, contract, survey, inspection, service, or similar fee or charge made by the carrier in consideration for a "contract" or "group contract" is considered part of the "amount charged."~~

~~(3)~~)) "Annualized earned premium" means the "earned premium" that would be earned in a twelve-month period if earned at the same rate as during the applicable period.

((~~(4)~~)) (3) "Anticipated loss ratio" means the "projected incurred claims" divided by the "projected earned premium."

((~~(5)~~)) (4) "Base rate" means the ((~~amount charged~~)) "premium" for a specific "plan," expressed as a monthly amount per "covered person or subscriber," prior to any adjustments for geographic area, age, family size, wellness activities((~~, tenure,~~)) or any other factors as may be allowed.

((~~(6)~~)) (5) "Capitation expenses" means the amount paid to a provider or facility on a per "covered person" basis, or as part of risk-sharing provisions, for the coverage of specified health care services.

((~~(7)~~)) (6) "Carrier" means a health care service contractor or health maintenance organization.

((~~(8)~~)) (7) "Certificate" means the statement of coverage document furnished "subscribers" covered under a "group contract."

((~~(9)~~)) (8) "Claim reserves" means the "claims" that have been reported but not paid plus the "claims" that have not been reported but may be reasonably expected.

((~~(10)~~)) (9) "Claims" means the cost to the "carrier" of health care services provided to a "covered person" or paid to or on behalf of the "covered person" in accordance with the terms of a "plan." This includes "capitation payments" or other similar payments made to ((~~"providers"~~)) providers or facilities for the purpose of paying for health care services for a "covered person."

((~~(11)~~)) (10) "Community rate" means the weighted average of all "premium rates" within a filing with the weights determined according to current enrollment.

((~~(12)~~)) (11) "Contract" means an agreement to provide health care services or pay health care costs for or on behalf of a "subscriber" or group of "subscribers" and such eligible dependents as may be included therein.

((~~(13)~~)) (12) "Contract form" means the prototype of a "contract" and any associated riders and endorsements filed with the commissioner by a health care service contractor or health maintenance organization.

((~~(14)~~)) (13) "Contribution to surplus, contingency charges, or risk charges" means the portion of the "projected earned premium" not associated directly with "claims" or "expenses((~~," that in the case of investor owned companies, provide the carrier with a fair rate of return on investor-supplied capital commensurate with the risk assumed by the overall business of the carrier. In the case of a not-for-profit carrier, these are the portion of the "projected earned premium" that provide assurance of the carrier's solvency~~)).

((~~(15)~~)) (14) "Covered person((~~s~~))" ((~~means all "subscribers" and their eligible dependents~~)) or "enrollee" has the same meaning as that contained in RCW 48.43.005.

((~~(16)~~)) (15) "Current community rate" means the weighted average of the "community rates" at the renewal or initial effective dates of each plan for the year immediately preceding the renewal period, with weights determined according to current enrollment.

((~~(17)~~)) (16) "Current enrollment" means the monthly average number and demographic makeup of the "covered persons" for the applicable contracts during the most recent twelve months for which information is available to the carrier.

((~~(18)~~)) (17) "Earned premium" means the ((~~"amount charged"~~)) "premium" plus any rate credits or recoupments, applicable to an accounting period whether received before, during, or after such period.

((~~(19)~~)) (18) "Expenses" means costs that include but are not limited to the following:

(a) Claim adjudication costs;

(b) Utilization management costs if distinguishable from "claims";

(c) Home office and field overhead;

(d) Acquisition and selling costs;

(e) Taxes; and

(f) All other costs except "claims."

((~~(20)~~)) (19) "Experience period" means the most recent twelve-month period from which the carrier accumulates the data to support a filing.

((~~(21)~~)) (20) "Extraordinary expenses" means "expenses" resulting from occurrences atypical of the normal business activities of the "carrier" that are not expected to recur regularly in the near future.

((~~(22)~~)) (21) "Group contract" or "group plan" means an agreement issued to an employer, corporation, labor union, association, trust, or other organization to provide health care services to employees or members of such entities and the dependents of such employees or members.

((~~(23)~~)) (22) "Incurred claims" means "claims" paid during the applicable period plus the "claim reserves" as of the end of the applicable period minus the "claim reserves" as of the beginning of the applicable period. Alternatively, for the purpose of providing monthly data or trend analysis, "incurred claims" may be defined as the current best estimate of the "claims" for services provided during the applicable period.

((~~(24)~~)) (23) "Individual contract" means a "contract" issued to and covering an individual. An "individual contract" may include dependents.

((~~(25)~~)) (24) "Investment earnings" means the income, dividends, and realized capital gains earned on an asset.

((~~(26)~~)) (25) "Loss ratio" means "incurred claims" as a percentage of "earned premiums" before any deductions.

((~~(27)~~)) (26) "Medical care component of the consumer price index for all urban consumers" means the similarly named figure published monthly by the United States Bureau of Labor Statistics.

((~~(28)~~)) (27) "Net worth or reserves and unassigned funds" means the excess of assets over liabilities on a statutory basis.

((~~(29)~~)) (28) "Plan" means a "contract" that is a health benefit((~~s~~)) plan as defined in RCW 48.43.005((~~(9)~~)) or a "contract" for limited health care services as defined in RCW 48.44.035((~~(1)~~)).

(29) "Premium" has the same meaning as that contained in RCW 48.43.005.

(30) "Premium rate" means the ((~~"amount charged"~~)) "premium" per "subscriber" or "covered person" obtained by adjusting the "base rate" for geographic area, family size, age,

wellness activities, ((~~tenure,~~)) or any other factors as may be allowed.

(31) "Projected earned premium" means the "earned premium" that would be derived from applying the proposed "premium rates" to the current enrollment.

(32) "Projected incurred claims" means the estimate of "incurred claims" for the rate renewal period based on the current enrollment.

(33) "Proposed community rate" means the weighted average of the "community rates" at the renewal dates of each plan for the renewal period, with weights determined according to current enrollment.

(34) "Provider" ((~~means any health professional, hospital, or other institution, organization, prescription drug vendor, or person that furnishes health care services and is licensed or otherwise authorized to furnish such services~~)) has the same meaning as that contained in RCW 48.43.005.

(35) "Rate renewal period" means the period for which the proposed "premium rates" are intended to remain in effect.

(36) "Rate schedule" means the schedule of all "base rates" for "plans" included in the filing.

(37) "Requested increase in the community rate" means the amount, expressed as a percentage, by which the "proposed community rate" exceeds the "current community rate."

(38) "Service type" means the category of service for which "claims" are paid, such as hospital, professional, dental, prescription drug, or other.

(39) "Small group contracts" or "small group plans" means the class of "group contracts" issued to "small employers" ((~~with no more than fifty eligible employees, including sole proprietors. "Small employer"~~)), as that term is defined ((~~at~~)) in RCW 48.43.005((~~(13)~~)).

(40) "Staffing data" means statistics on the number of ((~~"~~))providers((~~"~~)) and associated compensation required to provide a fixed number of services or provide services to a fixed number of "covered persons."

(41) "Subscriber" means a person on whose behalf a "contract" or "certificate" is issued.

(42) "Unit cost data" means statistics on the cost per health care service provided to a "covered person."

(43) "Utilization data" means statistics on the number of services used by a fixed number of "covered persons" over a fixed length of time.

AMENDATORY SECTION (Amending Matter No. R 97-2, filed 1/23/98, effective 3/1/98)

**WAC 284-43-915 Demonstration that benefits provided are not reasonable in relation to the amount charged for a contract per RCW 48.44.020 ((~~(2)(d)~~)) and 48.46.060 ((~~(3)(d)~~)).** ((~~In addition to the requirements of~~)) (1) The provisions of this section are in addition to the requirements set forth in RCW 48.44.022, 48.44.023, 48.46.064, and 48.46.066((~~, where applicable:~~

~~(1) For individual and small group plans, benefits shall be found not to be unreasonable in relation to the amount charged if one or more of the following is true:~~

~~(a) The requested increase in the community rate is zero percent or less and the anticipated loss ratio is seventy percent or more; or~~

~~(b) The anticipated loss ratio is eighty percent or more and the requested increase in the community rate is not more than the applicable rate in the following table.~~

| ~~CPI*~~ | ~~Maximum Rate Increase~~ |
|---|---|
| ~~7% or less~~ | ~~CPI*+3%~~ |
| ~~7% to 10%~~ | ~~10%~~ |
| ~~10% or more~~ | ~~CPI*~~ |

~~* CPI refers to the rate of increase in the medical care component of the consumer price index for all urban consumers.~~

~~(2) For group plans other than small group plans, benefits shall be found not to be unreasonable in relation to amount charged if the anticipated loss ratio is eighty percent or more~~)).

((~~(3) If the conditions of subsection (1) or (2) of this section are not met,~~)) (2) Benefits ((~~shall be found not to be unreasonable~~)) will be found not to be unreasonable if the projected earned premium for the rate renewal period is equal to the following:

(a) An actuarially sound estimate of incurred claims associated with the filing for the rate renewal period, where the actuarial estimate of claims ((~~shall~~)) recognizes, as applicable, the savings and costs associated with managed care provisions of the plans included in the filing; plus

(b) An actuarially sound estimate of prudently incurred expenses associated with the plans included in the filing for the rate renewal period, where the estimate ((~~shall be~~)) is

based on an equitable and consistent expense allocation or assignment methodology; plus

(c) An actuarially sound provision for contribution to surplus, contingency charges, or risk charges, where the justification ((~~shall~~)) recognizes the carrier's investment earnings on assets other than those related to claim reserves or other similar liabilities; minus

(d) An actuarially sound estimate of the forecasted investment earnings on assets related to claim reserves or other similar liabilities for the plans included in the filing for the rate renewal period.

((~~(4)~~)) (3) The contribution to surplus, contingency charges, or risk charges in subsection ((~~(3)~~)) (2)(c) of this section, ((~~shall~~)) will not be required to be less than zero.

((~~(5) For the purposes of this section, the rate of increase in the medical care component of the consumer price index for all urban consumers shall be measured by comparing the index for the month immediately preceding the month in which the filing is submitted to the index for the corresponding calendar month for the prior year.~~))

AMENDATORY SECTION (Amending Matter No. R 97-2, filed 1/23/98, effective 3/1/98)

**WAC 284-43-920 When a carrier is required to file.** (1) ((~~Every contract form and any modification thereof, and every rate schedule and any change thereof shall be filed with the commissioner:~~)) Carriers must file with the commissioner every contract form and rate schedule and modification of a contract form and rate schedule:

(a) Before ((~~being~~)) the contract form is offered for sale to the public and before the rate schedule is used; and

(b) Within thirty days after the end of an eighteen-month period during which a previous filing has remained unchanged for such period, including contract forms filed prior to the effective date of this regulation.

(2) Filings of negotiated contract forms, and applicable rate schedules, that are placed into effect at time of negotiation or that have a retroactive effective date are not required to be filed in accordance with subsection (1)(a) and (b) of this section, but ((~~shall~~)) must be filed within thirty working days after the earlier of:

(a) The date group contract negotiations are completed; or

(b) The date renewal premiums are implemented.

(3) An explanation for any filing delayed beyond the thirty-day period as described in subsection (2) of this section ((~~shall~~)) must be given on the filing document as set forth in WAC 284-43-950.

(4) If ((~~a return copy~~)) written confirmation of the ((~~filing~~)) commissioner's final action is desired, ((~~it shall be submitted in duplicate~~)) the carrier must submit with the filing duplicate copies of the filing transmittal and cover letter, along with a return self-addressed, stamped envelope. The duplicate ((~~copy will be stamped by the commissioner to indicate receipt of the filing~~)) transmittal will note the commissioner's final action and will be returned to the sender ((~~if a~~)) in the return ((~~self-addressed~~)) envelope ((~~is~~)) enclosed with the filing.

AMENDATORY SECTION (Amending Matter No. R 97-2, filed 1/23/98, effective 3/1/98)

**WAC 284-43-925 General contents of all filings.** Each filing required ((~~to be made pursuant to~~)) by WAC 284-43-920 ((~~shall~~)) must be submitted with the filing transmittal form prescribed by and available from the commissioner. The form ((~~will~~)) must include the name of the filing entity, its address, identification number, the type of filing being submitted, the form name or group name and number, and other relevant information. Filings ((~~shall~~)) also must include the information required on the filing summary set forth in WAC 284-43-945 for ((~~individual and~~)) small group plans and rate schedules or as set forth in WAC 284-43-950 for group plans and rate schedules other than those for small groups.

AMENDATORY SECTION (Amending Matter No. R 98-8, filed 5/20/98, effective 6/20/98)

**WAC 284-43-930 Contents of ((~~individual and~~)) small group filings.** Under RCW ((~~48.44.022(3) and 48.46.064(3)~~)) 48.44.023 and 48.46.066 the experience of all ((~~individual plans shall be pooled; and under RCW 48.44.023 (3)(i) and 48.46.066 (3)(i) the experience of all~~)) small group plans ((~~shall~~)) must be pooled. Filings for ((~~individual plans shall include base rates for all individual plans and filings for~~)) small group plans ((~~shall~~)) must include base rates ((~~for all~~)) and annual base rate changes in dollar and percentage amounts for each small group plan((~~s~~)). Each ((~~individual and~~)) small group filing ((~~shall~~)) must include ((~~all of~~)) the following information and documents:

(1) An actuarially sound estimate of incurred claims. Experience data, assumptions, and justifications of the carrier's projected incurred claims ((~~shall~~)) must be provided in a manner consistent with the carrier's rate-making methodology and incorporate the following elements:

(a) A brief description of the carrier's rate-making methodology, including identification of the data used and the kinds of assumptions and projections made.

(b) The number of subscribers by family size, or covered persons for the plans included in the filing. These figures ((~~shall~~)) must be shown for each month or quarter of the experience period and the prior two periods if not included in previous filings. This data ((~~shall~~)) must be presented in aggregate for the plans included in the filing and in aggregate for all of the carrier's plans.

(c) Earned premium for each month or quarter of the experience period and the prior two periods if not included in previous filings, for the plans included in the filing.

(d) An estimate of the adjusted earned premium for each month or quarter of the experience period and prior two periods for the plans included in the filing.

(e) Claims data for each month or quarter of the experience period and the prior two periods. Examples of claims data are((~~,~~)) incurred claims, capitation payments, utilization data, unit cost data, and staffing data. The specific data elements included in the filing ((~~shall~~)) must be consistent with the carrier's rate-making methodology.

(f) Documentation and justification of any adjustments made to the experience data.

(g) Documentation and justification of the factors and methods used to forecast incurred claims.

(2) An actuarially sound estimate of prudently incurred expenses. Experience data, assumptions, and justifications ((~~shall~~)) must be provided by the carrier as follows:

(a) A breakdown of the carrier's expenses allocated or assigned to the plans included in the filing for the experience period or for the period corresponding to the most recent "annual statement";

(i) ((~~Health care service contractors shall provide~~)) An expense breakdown at least as detailed as the annual statement schedule "Underwriting and Investment Exhibit, Part 3, Analysis of Expenses" as revised from time to time;

(ii) ((~~Health maintenance organizations shall provide an expense breakdown at least as detailed as the "Annual Statement, Report #2: Statement of Revenues, Expenses and Net Worth," for administrative expenses as revised from time to time;~~

~~(iii)~~)) The allocation and assignment methodology used in (a)(i) ((~~or (ii)~~)) of this subsection may be based on readily available data and easily applied calculations;

(b) Identification of any extraordinary experience period expenses ((~~that are extraordinary~~)); and

(c) Documentation and justification of the assignment or allocation of expenses to the plans included in the filing; and

(d) Documentation and justification of forecasted changes in expenses.

(3) An actuarially sound provision for contribution to surplus, contingency charges, or risk charges. Assumptions and justifications ((~~shall~~)) must be provided by ((~~a~~)) the carrier as follows:

(a) The methodology, justification, and calculations used to determine the contribution to surplus, contingency charges, or risk charges included in the proposed base rates; and

(b) The carrier's net worth or reserves and unassigned surplus at the beginning and end of the experience period ((~~and at the end of the experience period~~)).

(4) An actuarially sound estimate of forecasted investment earnings on assets related to claim reserves or other similar liabilities. The carrier ((~~shall~~)) must include documentation and justification of forecasted investment earnings identified in dollars, and as a percentage of total premiums and the amount credited to the plans included in the filing.

(5) Adjustment of the base rate. Experience data, assumptions, justifications, and methodology descriptions ((~~shall~~)) must be provided ((~~that~~)) and must include:

(a) Justifications for adjustments to the base rate, supported by data if appropriate, attributable to geographic region, age, family size((~~, use of~~)) and wellness activities((~~, and tenure discounts~~));

(b) Justifications, supported by data if appropriate, of any other factors or circumstances used to adjust the base rates; and

(c) Description of the methodology used to adjust the base rate to obtain the premium rate for a specific individual or group, which is detailed enough to allow the commissioner to replicate the calculation of premium rates if given the necessary data.

(6) Actuarial certification. Certification by an actuary, ((~~as defined by WAC 284-05-060, that the benefits and services to be provided are reasonable in relation to the amount charged~~)) as required by RCW 48.44.023(3) and 48.46.066(3).

(7) The requirements of subsections (1) through (6) of this section may be waived or modified upon the finding by the commissioner that a plan contains or involves unique provisions or circumstances and that the requirements represent an extraordinary administrative burden on the carrier. ((~~An example of such a situation could include a plan offered by a relatively small carrier, where such plan has limited benefits and is designed to generate an unusually small premium.~~))

AMENDATORY SECTION (Amending Matter No. R 97-2, filed 1/23/98, effective 3/1/98)

**WAC 284-43-935 Experience records.** (1) ((~~Every carrier shall maintain for each plan for the five most recent years, records of:~~)) For each plan, carriers must maintain the following records for five years:

(a) Incurred claims;

(b) Earned premiums; and

(c) Expenses.

(2) Such records ((~~shall~~)) must include data for rider and endorsement forms that are used with the contract forms. Separate data may be maintained for each rider or endorsement form as appropriate. For recordkeeping purposes, carriers may combine experience under contract forms that provide substantially similar coverage ((~~may be combined for recordkeeping purposes~~)).

AMENDATORY SECTION (Amending Matter No. R 97-2, filed 1/23/98, effective 3/1/98)

**WAC 284-43-940 Evaluating experience data.** In determining the credibility and appropriateness of experience data, consideration ((~~shall~~)) will be given to all relevant factors, including:

(1) Statistical credibility of the amount charged and services and benefits paid, such as low exposure, low loss frequency, and recoupment;

(2) Actual and projected trends relative to changes in medical costs and changes in utilization;

(3) The mix of business by risk classification; and

(4) Adverse selection or lapse factors reasonably expected in connection with revisions to plan provisions, services, benefits, and amount charged.

AMENDATORY SECTION (Amending Matter No. R 97-2, filed 1/23/98, effective 3/1/98)

**WAC 284-43-945 Summary for ((~~individual and~~)) small group contract filings.**

**((~~INDIVIDUAL AND~~)) SMALL GROUP FILING SUMMARY**

| | |
|---|---|
| Carrier Name | |
| Address | |
| | |
| | |
| Carrier ((~~Identificaton~~)) Identification Number | |

| | | | |
|---|---|---|---|
| Rate Renewal Period: | From | | To |
| Date Submitted: | | | |
| ((~~Type of Filing:~~ | ~~Individual Plans ☐~~ | ~~Group Plans ☐~~)) | |

**Proposed Rate Summary**

| | |
|---|---|
| Current community rate | per month |
| Proposed community rate | per month |
| Percentage change | % |
| | |
| Portion of carrier's total enrollment affected | % |
| Portion of carrier's total premium revenue affected | % |

**Components of Proposed Community Rate**

| | Dollars Per Month | % of Total |
|---|---|---|
| a) Claims | | |
| b) Expenses | | |
| c) Contribution to surplus, contingency charges, or risk charges | | |
| d) Investment earnings | | |
| e) Total (a + b + c - d) | | |

**Summary of Pooled Experience**

| | Experience Period From To | First Prior Period From To | Second Prior Period From To |
|---|---|---|---|
| Member Months | | | |
| Earned Premium | | | |
| Paid Claims | | | |
| Beginning Claim Reserve | | | |
| Ending Claim Reserve | | | |
| Incurred Claims | | | |
| Expenses | | | |
| Gain/Loss | | | |
| ((~~Contribution to rporate Surplus~~)) | | | |
| Loss Ratio Percentage | | | |

**General Information**

1. Trend Factor Summary

| Type of Service | Annual Trend Assumed | Portion of Claim Dollars |
|---|---|---|
| Hospital | % | % |
| Professional | % | % |
| Prescription Drugs | % | % |
| Dental | % | % |
| Other | % | % |

2. List the effective date and the rate of increase for all rate changes in the past three rate periods.

1) _____ Date _____ %  2) _____ Date _____ %  3) _____ Date _____ %

3. Since the previous filing, have any changes been made to the factors or methodology for adjusting base rates?

| | | |
|---|---|---|
| Geographic Area | ☐ Yes | ☐ No |
| Family Size | ☐ Yes | ☐ No |
| Age | ☐ Yes | ☐ No |
| Wellness Activities | ☐ Yes | ☐ No |
| ((~~Tenure Discounts~~ | ~~☐ Yes~~ | ~~☐ No~~)) |
| Other (specify) | ☐ Yes | ☐ No |

4. Attach a table showing the base rate for each plan affected by this filing.

5. Attach comments or additional information.

6. Preparer's Information

Name: _____

Title: _____

Telephone Number: _____

AMENDATORY SECTION (Amending Matter No. R 97-2, filed 1/23/98, effective 3/1/98)

**WAC 284-43-950 Summary for group contract filings other than small group contract filings.**

**GROUPS OTHER THAN SMALL GROUPS FILING SUMMARY**

| Carrier Name |
|---|
| |

| | |
|---|---|
| Address | |
| | |
| | |
| | |
| ((~~Carrier Identification Number~~ | |
| ~~Contract Holder~~)) Contract Holder/Pool Category and Name (Check One Box) | ☐ Single Employer Group: |
| | Employer Name: |
| | ☐ Multiemployer other than Association/Trust Groups |
| | Group Pool Name: |
| | ☐ Association/Trust Groups |
| | Association/Trust Group Name: |
| Contract Form Number | |
| ((~~Contract Number~~)) Rate Form Number (if different from Contract Form Number) | |
| Product Name | |

If additional space is required to list the contract/rate form number and product name, attach a separate sheet.

| | | |
|---|---|---|
| Rate Renewal Period: | From: | To: |
| Date Submitted: | | |
| Type of Filing (Check One Box) | ☐ New Group Contract ((~~Ⓑ~~)) | ☐ Revision of Existing Group Contract ((~~Ⓑ~~)) |

**Proposed Rate Schedules:** Attach a separate sheet to list all proposed tier rates.

**Rate Summary ((~~of New Rate Development~~))**

| | |
|---|---|
| Current Rate((~~s~~)) (Composite per employee or per member) | $ _____ per member per month |
| ((~~Experience~~)) Percentage Rate Change | _____ % |
| ((~~Recoupment~~)) New Rate | $ _____ per member per month |
| ((~~Reserves~~)) Average Number of Enrollees Each Month During the Experience Period (If the average number of enrollees is equal to or less than fifty, explain why this is not a small group, as defined in RCW 48.43.005.) | |
| ((~~Benefit Changes~~)) Anticipated Loss Ratio | _____ % |
| ((~~Total New Rates~~)) Portion of carrier's total enrollment affected | _____ % |
| Portion of carrier's total premium revenue affected | _____ % |

**Summary of Contract Experience**

| | Experience Period From To | First Prior Period From To | Second Prior Period From To |
|---|---|---|---|
| Member Months | | | |
| Billed Premium | | | |
| ((~~Paid~~)) Incurred Claims | | | |
| ((~~Beginning Claim Reserve~~)) Expenses | | | |
| ((~~Ending Claim Reserve~~)) Gain/Loss | | | |
| ((~~Incurred Claims~~)) Experience Refund/Credit or Recoupment | | | |
| ((~~Expenses~~)) Earned Premium (Billed Premium - /+ Refund/Credit or Recoupment) | | | |
| ((~~Gain/Loss~~)) Loss Ratio Percentage | | | |
| ((~~Experience Refund or Credit~~ | | | |
| ~~Earned Premium~~ | | | |
| ~~Contibution to Corporate Surplus~~ | | | |
| ~~Loss Ratio Percentage~~)) | | | |

Attach comments or additional ((~~informaton~~)) information.

Preparer's Information

Name:

Title:

Telephone Number:

REPEALER

The following sections of the Washington Administrative Code are repealed:

| | |
|---|---|
| WAC 284-43-900 | Authority and purpose. |
| WAC 284-43-955 | Effective date. |